

2001 Regular Session
of the
Seventy-Ninth General Assembly
of the
State of Iowa

CHAPTER 1
LIMITED SALES AND USE TAX EXEMPTION FOR RESIDENTIAL
METERED GAS AND ELECTRICITY OR HEATING FUEL
H.F. 1

AN ACT relating to the exemption from the sales and use taxes of the gross receipts from the sale, furnishing, or service of metered gas and of fuel used in residential-type dwellings and including an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.45, Code 2001, is amended by adding the following new subsection:
NEW SUBSECTION. 60. a. The gross receipts from the sale, furnishing, or service of metered gas to provide energy for residential customers and the gross receipts from the sale, furnishing, or service of fuel, including propane and heating oil, used to provide heat for residential dwellings and units of apartment and condominium complexes used for human occupancy.

b. Paragraph "a" applies to the gross receipts from the sale, furnishing, or service of metered gas for energy if the date of the utility billing of the customer is during March 2001, or April 2001, or applies to the gross receipts from the sale, furnishing, or service of fuel used for heating purposes if such sale, furnishing, or service occurs during the period beginning with the effective date of this Act and ending on March 31, 2001.

Sec. 2. Section 422.45, Code 2001, is amended by adding the following new subsection:
NEW SUBSECTION. 61. a. Subject to paragraph "b", the gross receipts from the sale, furnishing, or service of metered gas and electricity to provide energy for residential customers and the gross receipts from the sale, furnishing, or service of fuel, including propane and heating oil, used to provide heat for residential dwellings and units of apartment and condominium complexes used for human occupancy.

b. The exemption in this subsection shall be phased in by means of a reduction in the tax rate as follows:

(1) If the date of the utility billing of the customer for the sale, furnishing, or service of metered gas and electricity is between January 1, 2002, and December 31, 2002, or the sale, furnishing, or service of fuel for heating purposes occurs between January 1, 2002, and December 31, 2002, the rate of tax is four percent of the gross receipts.

(2) If the date of the utility billing of the customer for the sale, furnishing, or service of metered gas and electricity is between January 1, 2003, and December 31, 2003, or the sale, furnishing, or service of fuel for heating purposes occurs between January 1, 2003, and December 31, 2003, the rate of tax is three percent of the gross receipts.

(3) If the date of the utility billing of the customer for the sale, furnishing, or service of metered gas and electricity is between January 1, 2004, and December 31, 2004, or the sale, furnishing, or service of fuel for heating purposes occurs between January 1, 2004, and December 31, 2004, the rate of tax is two percent of the gross receipts.

(4) If the date of the utility billing of the customer for the sale, furnishing, or service of metered gas and electricity is between January 1, 2005, and December 31, 2005, or the sale, furnishing, or service of fuel for heating purposes occurs between January 1, 2005, and December 31, 2005, the rate of tax is one percent of the gross receipts.

(5) If the date of the utility billing of the customer for the sale, furnishing, or service of metered gas and electricity is on or after January 1, 2006, or the sale, furnishing, or service of fuel for heating purposes occurs on or after January 1, 2006, the rate of tax is zero percent of the gross receipts.

c. The exemption in this subsection does not apply to local option sales and services tax imposed pursuant to chapters 422B and 422E.¹

Sec. 3. If a utility that sells, furnishes, or services metered gas to provide energy for residential customers is unable to timely adjust its billing system to provide the sales and use tax exemption provided in section 1 of this Act, the utility is authorized to charge the sales or use tax on utility bills that are dated during March 2001 or until the billing system is adjusted for the sales and use tax exemption provided in section 1 of this Act. The utility shall grant to each residential customer from which the tax was collected on such gross receipts a credit equal to the amount of tax collected. The credit shall appear on the first utility billing which is dated after March 31, 2001. The department of revenue² is granted emergency rulemaking authority to implement this section.

Sec. 4. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved February 5, 2001

CHAPTER 2

SCHOOL FINANCE — ALLOWABLE GROWTH

H.F. 191

AN ACT providing for the establishment of the state percent of growth for purposes of the state school foundation program and providing an applicability date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 257.8, subsection 1, Code 2001, is amended to read as follows:

1. STATE PERCENT OF GROWTH. ~~The state percent of growth for the budget year beginning July 1, 2000, is four percent.~~ The state percent of growth for the budget year begin-

¹ See chapter 115, §2 herein

² Department of revenue and finance probably intended